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May 1, 2001

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA



ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



08 2001

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PUBLISHED:
EFFECTIVE:

MAY 1, 2001
JUNE 1, 2001
12:01 a.m.

PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS I PRICE FOR MILK TESTING 3.5%

\$16.76 /CWT

CLASS I BUTTERFAT PRICE PER POUND

\$1.92 /LB

EFFECTIVE JUNE 1, 2001:

The minimum price to pay milk producers, under ARM 32.24.301, is \$16.76 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 19.2 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.92.

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(6)

CLASS II PRICE FOR MILK TESTING 3.5%

\$14.98 /CWT

Average spray process dry milk solids

price per pound = \$1.05500
Multiplied by 8.2 x 8.2

\$8.65100

\$8.65100

Last quote of the month for Grade AA butter

minus a differential of \$.0895 = \$1.83800
Multiplied by 4.2 x 4.2

\$7.71960

+ \$7.71960

\$16.37060

LESS a make allowance of 8.5% (\$16.3706 X .085)

- \$1.39150

\$14.97910

Rounded to the nearest whole cent = \$14.98 /hundredweight.

CLASS II BUTTERFAT PRICE PER POUND**\$2.04 /LB**

Last quote of the month for Grade AA butter

minus a differential of \$.0895

= \$1.83800 X .111)

= \$0.20402

Rounded to the nearest half cent

= \$0.204

Butterfat value per pound

for milk at 3.5% test:

\$2.04

Hundredweight price of milk testing 3.5%

LESS 3.5 pounds of butterfat at

\$2.04 per pound

= \$14.98

- \$7.140

Value of 96.5 pounds of skim

= \$7.840

CLASS II VALUE OF

ONE POUND OF SKIM

7.840 / 96.5 pounds)

= \$0.08124 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(7)

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$12.70 /CWT**

3.5 pounds of butterfat

\$1.65 per pound =

\$5.775

96.5 pounds of skim

\$0.07180 per pound =

\$6.929

\$12.704 /CWT

CLASS III BUTTERFAT PRICE PER POUND**\$1.65 /LB**

Last quote of the month for Grade AA butter

minus a difference of \$.0895

= \$1.83800

LESS 10%

- \$0.18380

\$1.65420

Rounded to the nearest whole cent

\$1.65 per pound.

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**\$7.18033 /CWT**

Avg. spray process dry milk solid price/lb

\$1.05500

Multiplied by 8.2

8.2

\$8.65100

LESS 17%

\$1.47067

\$7.18033

Rounded to the nearest whole cent

\$7.18 per hundredweight.

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

Monte Nick

Monte Nick, Bureau Chief

Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$16.76 FOR 3.5% MILK 96.5 LBS = \$10.040		CLASS II SKIM PRICE BASED ON \$14.98 FOR 3.5% MILK 96.5 LBS = \$7.840		CLASS III SKIM PRICE BASED ON \$12.70 FOR 3.5% MILK 96.5 LBS = \$6.929	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.10297	2.50	\$0.08041	2.50	\$0.07107
2.55	\$0.10303	2.55	\$0.08045	2.55	\$0.07110
2.60	\$0.10308	2.60	\$0.08049	2.60	\$0.07114
2.65	\$0.10313	2.65	\$0.08053	2.65	\$0.07118
2.70	\$0.10319	2.70	\$0.08058	2.70	\$0.07121
2.75	\$0.10324	2.75	\$0.08062	2.75	\$0.07125
2.80	\$0.10329	2.80	\$0.08066	2.80	\$0.07129
2.85	\$0.10335	2.85	\$0.08070	2.85	\$0.07132
2.90	\$0.10340	2.90	\$0.08074	2.90	\$0.07136
2.95	\$0.10345	2.95	\$0.08078	2.95	\$0.07140
3.00	\$0.10351	3.00	\$0.08082	3.00	\$0.07143
3.05	\$0.10356	3.05	\$0.08087	3.05	\$0.07147
3.10	\$0.10361	3.10	\$0.08091	3.10	\$0.07151
3.15	\$0.10367	3.15	\$0.08095	3.15	\$0.07154
3.20	\$0.10372	3.20	\$0.08099	3.20	\$0.07158
3.25	\$0.10377	3.25	\$0.08103	3.25	\$0.07162
3.30	\$0.10383	3.30	\$0.08108	3.30	\$0.07165
3.35	\$0.10388	3.35	\$0.08112	3.35	\$0.07169
3.40	\$0.10393	3.40	\$0.08116	3.40	\$0.07173
3.45	\$0.10399	3.45	\$0.08120	3.45	\$0.07177
3.50	\$0.10404	3.50	\$0.08124	3.50	\$0.07180
3.55	\$0.10410	3.55	\$0.08129	3.55	\$0.07184
3.60	\$0.10415	3.60	\$0.08133	3.60	\$0.07188
3.65	\$0.10420	3.65	\$0.08137	3.65	\$0.07192
3.70	\$0.10426	3.70	\$0.08141	3.70	\$0.07195
3.75	\$0.10431	3.75	\$0.08145	3.75	\$0.07199
3.80	\$0.10437	3.80	\$0.08150	3.80	\$0.07203
3.85	\$0.10442	3.85	\$0.08154	3.85	\$0.07206
3.90	\$0.10447	3.90	\$0.08158	3.90	\$0.07210
3.95	\$0.10453	3.95	\$0.08162	3.95	\$0.07214
4.00	\$0.10458	4.00	\$0.08167	4.00	\$0.07218
4.05	\$0.10464	4.05	\$0.08171	4.05	\$0.07221
4.10	\$0.10469	4.10	\$0.08175	4.10	\$0.07225
4.15	\$0.10475	4.15	\$0.08179	4.15	\$0.07229
4.20	\$0.10480	4.20	\$0.08184	4.20	\$0.07233
4.25	\$0.10486	4.25	\$0.08188	4.25	\$0.07237
4.30	\$0.10491	4.30	\$0.08192	4.30	\$0.07240
4.35	\$0.10497	4.35	\$0.08197	4.35	\$0.07244
4.40	\$0.10502	4.40	\$0.08201	4.40	\$0.07248
4.45	\$0.10508	4.45	\$0.08205	4.45	\$0.07252
4.50	\$0.10513	4.50	\$0.08209	4.50	\$0.07256

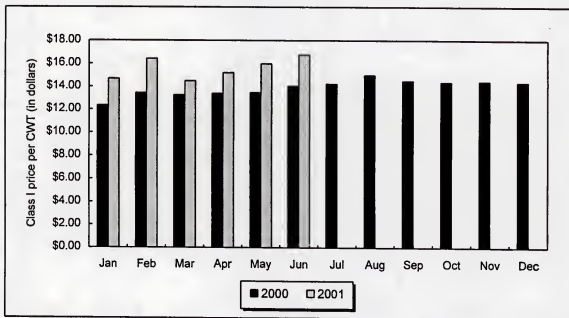
PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2000 and 2001

Statistics from the Montana Milk Control Bureau

Month	2000	2001	Difference	% Change
January	\$12.34	\$14.68	\$2.34	18.96%
February	\$13.45	\$16.43	\$2.98	22.16%
March	\$13.26	\$14.49	\$1.23	9.28%
April	\$13.39	\$15.20	\$1.81	13.52%
May	\$13.48	\$15.99	\$2.51	18.62%
June	\$14.03	\$16.76	\$2.73	19.46%
July	\$14.25	\$0.00		
August	\$15.01	\$0.00		
September	\$14.50	\$0.00		
October	\$14.39	\$0.00		
November	\$14.44	\$0.00		
December	<u>\$14.37</u>	<u>\$0.00</u>		
Average	\$13.91	\$7.80	\$2.27	17.00%

Prices are per hundredweight (CWT).

**Completion of pooling (prior to audit) shows the producer quota blend prices to be:**

MAR 2001: class I = \$9.72; class II = \$1.23; Class III = \$1.85; total = \$12.79

(calculations based upon utilization percentages of butterfat & skim)